

FISCAL NOTE

SB 113 – HB 71

January 26, 2005

SUMMARY OF BILL: Permits schools, churches, and certain charitable organizations to raise funds up to six times a year through the sale of goods without payment of sales tax.

ESTIMATED FISCAL IMPACT:

Decrease State Revenues – Exceeds \$1,900,000

Decrease Local Govt. Revenues – Exceeds \$600,000

Assumptions:

- Increases the number of organizations able to make non-taxable sales, as well as triples the number of periods that such sales would be allowed by these organizations.
- Annual sales of Girls Scout cookies used as base.
- 4 million boxes sold in Tennessee at a price of \$3.50 per box.
- Estimated annual sales of \$14,000,000 with two exemption periods per year.
- Incremental annual sales of \$28,000,000 with six exemption periods per year.
- Decrease in state revenues of $\$28,000,000 \times 7\% = \$1,960,000$.
- Decrease in local government revenues of $\$28,000,000 \times 2.25\% = \$630,000$.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director